

quick connections

June 16, 2000

SAO is Sterling!

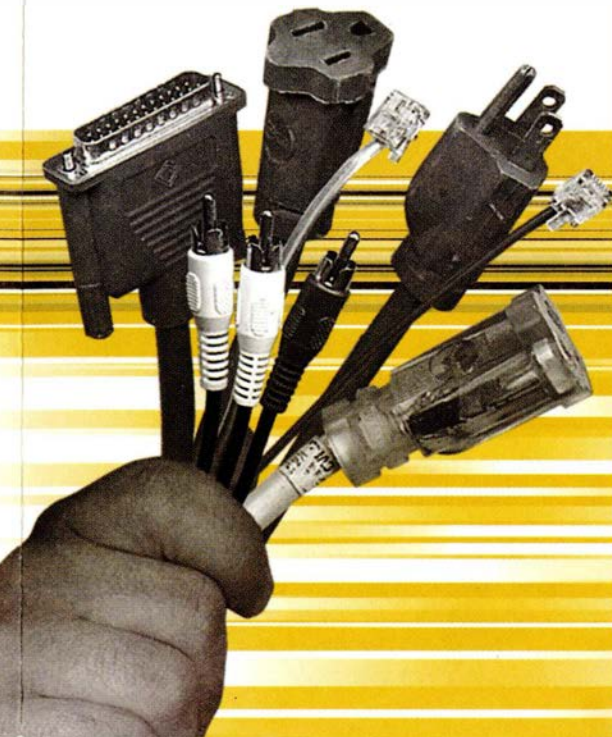
BCBSF's State Account Operations is delivering on the company promise and proved it by winning the 2000 Florida Sterling Quality Team Showcase Award!

Competing against five other regional finalists, the BCBSF team was honored for its success in administering the State Employees' PPO Plan. With more than 207,000 covered members, the plan is BCBSF's second largest customer. BCBSF has administered it since January 1998. The BCBSF team will represent Florida in a national competition of award winners scheduled for March 2001.

The Florida Sterling Council recognizes organizations whose commitment to excellence makes them role models in Florida. The Sterling Team Showcase Award is given to those who improve processes to reduce costs, increase revenues and exceed customer satisfaction. BCBSF's State Account Operations won the award for its Claims Quality and Productivity Improvement Project. The project was designed to improve the quality and productivity performance of the claims staff and to meet or exceed contractual performance standards of the State Employees' PPO Plan.

Check out the State Account Operations Intranet site to read the team's award application.

Quick Connections is available online at Corporate Information/Blue Views on the company Intranet.



Grassroots efforts delay House vote on docs' union

An intensive national grassroots campaign waged by BCBSF and other members of the American Association of Health Plans (AAHP) helped postpone a U.S. House of Representatives vote on a bill described as "one of the most anti-consumer pieces of legislation of the 106th Congress." If passed, the bill would create a broad antitrust exemption for physicians, opening the way for doctors to unionize.

The industry argues that the legislation would greatly increase costs to the consumer, decrease access and choice, and lower health care quality. If it becomes law, the antitrust exemption would enable providers to collude in negotiating contract provisions and collectively refuse to cooperate in ensuring health care quality. Additionally, an exemption would allow health care professionals to fix prices, boycott plans and even strike at the patients' expense.

The legislation "seriously undercuts well-established antitrust law which is designed to protect consumers, not special interests," Karen Ignagni, AAHP president and CEO, said earlier this year.

BCBSF has informed our members about the negative impact of such legislation would have on their health care benefits. More than 450 of our members contacted their congressional representatives in opposition to the antitrust proposal.

No date has been set for a House vote. You can play a pivotal role in blocking the passage of this legislation by contacting your congressional representative in opposition to House Resolution 1304. Please visit <http://www.bcbsfl.com/protectpatients> for more information.

Get an edge on managed care

Employees can advance their knowledge of managed care and earn health care industry designations with an independent study program offered through the Academy for Healthcare Management.

The Academy is an educational partnership by the American Association of Health Plans, the Blue Cross and Blue Shield Association and LOMA. The program provides a comprehensive, cutting-edge curriculum with two levels of study.

The Introductory program provides a broad, cross-functional overview of managed health care delivery, administration and operations. It covers basic concepts and types of managed care organizations, plus issues such as legislation, regulations, technology, quality improvement, marketing and ethics. Those who successfully complete the Introductory program receive the Professional, Academy for Healthcare Management (PAHM) designation.

The Advanced program, a more in-depth study of managed health care, is available to those who successfully complete the Introductory program. The Advanced program consists of a range of courses and exams on specific operational areas of managed health care. Those who successfully complete all Advanced courses earn the Fellow, Academy for Healthcare Management (FAHM) designation.

Students also may earn continuing education (CE) for Life/Health agent credit, college credit, American College CE credit, and CME/CE for Nurses credit.

For enrollment and more information, go to Human Resources' Intranet site.



Customer Satisfaction



Market Leadership



Financial Strength



Public Understanding



Org. Effectiveness



Delivery Systems



National Association

FCSO opens Baltimore office

BCBSF's subsidiary, First Coast Service Options, Inc. (FCSO), opened an office in Owings Mills, Md., June 13.

A major government contractor, FCSO provides Medicare administration services and established the office to provide support to customers in the Baltimore/Washington, D.C., area. Its customers include the Health Care Financing Administration (HCFA), TRW and VIPS. The new office also provides a base to expand business opportunities. Up to 20 full-time professionals will work at the facility.

The address is 10045 Red Run Boulevard, Suite 180, Owings Mills, MD 21117. The phone number is 410-356-5703.



BlueCross BlueShield of Florida

An Independent Licensee of the Blue Cross and Blue Shield Association



1999 worst year ever for Florida's HMOs

Although Health Options earned nearly \$24 million in 1999, it was the worst year ever for Florida's 32 health maintenance organizations (HMOs), which collectively lost \$175.7 million according to Florida's Department of Insurance. That is three times more than the \$64 million industry loss in 1997, which had been the worst year on record.

Of the 32 HMOs, 17 were in the red. The major losers were Prudential Health Care Plan, which posted a net loss of \$122 million, and AvMed, which lost \$32 million.

Industry analysts blame intense competition, heightened by the addition of some small start-ups, the state's high number of retirees and the higher cost of health care.

BCBSF's Health Options was the second most profitable of Florida's HMOs in 1999, earning \$23.9 million. Humana posted the largest profit of \$35.9 million.

Dollars for scholars

Four BCBSF employees' children head to college in the fall with the help of company-sponsored scholarships.

RaShee Bennett, daughter of Sherry Bennett, service associate II, Operations; and Thuy Pham, daughter of Gon Pham, senior computer operator; won G. Hunter Gibbons Scholarships to the University of Florida. Each will receive \$7,500 per year for four years.

Hilary A. Schroder Scholarships worth \$3,000 each year for four years went to Jeni Herring, daughter of Quentin Herring, director, Investments, Cash Management; and to Lynn Tallman, daughter of Larry Tallman, system project manager, Decision Support Systems. The scholarship is for any four-year accredited college or university in Florida. Both Herring and Tallman also plan to attend the University of Florida.

BCBSF awards scholarships each year based on availability. The scholarship committee reviews numbered applications without reference to names, employees or gender.

Congratulations to the winners!

**Coming together is a beginning; keeping together
is progress; working together is success.**

—Henry Ford

Quick Connections is published biweekly for the employees of Blue Cross and Blue Shield of Florida by the Public Relations & Corporate Communications Division. All rights reserved. This publication may not be reproduced in whole or in part without permission. Copyright 2000. You are invited to share your comments by voice (904-905-3047) or email (Blue Views). Editor: Beth L. Stambaugh. Contributing Writer: Irene E. Lombardo.